

Joint Committee on Ways and Means

Oregon State Capitol
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Salem, OR 97301



Subcommittee on Capital Construction

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Rep. Paul Holvey, House Co-Chair
Sen. Peter Courtney
Sen. Elizabeth Steiner Hayward
Rep. Tina Kotek
Rep. Greg Smith
Rep. Gene Whisnant
Rep. Jennifer Williamson

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To: Capital Construction Subcommittee
From: Sean McSpaden, Legislative Fiscal Office
Date: March 1, 2018
Subject: HB 4023 B – Relating to Broadband Technology
Work Session Recommendations

HB 4023B directs the Oregon Broadband Advisory Council to study options for a local broadband champion program and report findings to the Legislative Assembly by December 1, 2018.

HB 4023B creates the Connecting Oregon Schools Fund for the purpose of providing matching funds for federal moneys received by school districts for broadband access. The measure appropriates \$750,000 from General Fund to the Connecting Oregon Schools Fund, establishes eligibility criteria, and requires the State Board of Education to adopt rules.

HB 4023B allows the State Chief Information Officer (CIO) to provide broadband communications services upon request to local governments, special districts and federally recognized Indian tribes in Oregon via one of two paths: 1) A process to be described in rule - if it's determined that the broadband services to be provided would not duplicate services already offered by telecommunications providers in areas to be served; or 2) Following a public hearing and adoption of a resolution by governing body of a municipality or other public body in the area to be served by the State CIO - finding that the proposed broadband services and operations are necessary and would not otherwise be provided by a for-profit entity within a reasonable time and for a reasonable cost. The measure requires the State CIO to adopt rules for providing services under an extended rule-making process - utilizing an inclusive rules advisory committee designed to ensure full participation by interested parties prior to rule adoption. The measure requires the State CIO to present proposed rules to the Joint Legislative Committee on Information Management and Technology prior to rule adoption. Finally, the measure declares an emergency and is effective upon passage.

Materials related to House Bill 4023B are posted on OLIS.

The -B16 amendment removes \$750,000 appropriation from General Fund to Connecting Oregon Schools Fund.

The B19 amendment recognizes how vital access to high-speed, affordable broadband is to the delivery of public services to Oregonians, and makes clear that it is not the state's intent to provide broadband services in direct competition with telecommunications providers that offer comparable broadband services. Under this amendment, the State CIO may only provide broadband services to local governments, special districts and federally recognized Indian tribes in Oregon pursuant to adopted rules. The amendment focuses the broadband services the State CIO may provide to tribal governments and these other public bodies on unserved or underserved areas of Oregon, and directs the State CIO to identify situations in which these services would directly compete with broadband services that could otherwise be provided by a telecommunications provider within a reasonable time and for a reasonable cost. The amendment requires that State CIO rules include a process by which telecommunications providers can demonstrate their ability to meet the specifications set for needed broadband services in the geographic areas to be served.

Recommended Changes

LFO recommends adoption of the -B16 amendment.

MOTION: I move adoption of the -B16 amendment to House Bill 4023. (VOTE)

LFO recommends adoption of the -B19 amendment.

MOTION: I move adoption of the -B19 amendment to House Bill 4023. (VOTE)

Final Subcommittee Action

LFO recommends that House Bill 4023B as amended by the -B16 and -B19 amendments, be moved to the Ways and Means Full Committee.

MOTION: I move House Bill 4023 as amended, to the Full Committee with a do-pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____